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Richard Kaufman, CAE

March 10, 1997

William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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MAR 11 1997
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RE: Ex Parte Presentation — In the Matter of Federal-State Joint Board
on Universal Service (CC Docket No. 96-43).

45

Dear Mr. Caton,

Enclosed for inclusion in the public record are two copies of our
written ex parte presentation in the above proceeding.

Sincerely,

Betty Jo Toccoli

Betty Jo Toccoli
President

encl.



CALIFORNIA SMALL BUSINESS ASSOCIATION

Betty Jo Toccoli
President

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The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

Re: In the Matter of the Federal-State Joint Board on Universal Service (CC
Docket No. 96-45) — Ex Parte Presentation.

Dear Chairman Hundt:

I am writing to you on behalf of the 187,000 small businesses who are members of the California Small Business Association (CSBA), the delegates to the White House Conference on Small Business and numerous other small business organizations throughout the country. In the next few weeks, the Federal Communications Commission (FCC) and the Federal-State Joint Board of Universal Service will be making some important decisions regarding rules to ensure access to affordable telecommunications service in high cost areas.

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As part of this process, in November, the Joint Board recommended that universal service support for small businesses in high cost areas should be restricted to businesses *with only a single line*. In so doing, the Joint Board's Recommended Decision divided businesses into two categories: single line businesses (smaller and therefore deserving of support) and all other businesses. It reached this determination without hearing from small business and providing virtually no explanation or analysis regarding what kinds of businesses would be adversely affected by this definition.

Several weeks ago, we met with members of the FCC staff and expressed our concern about the lack of due process afforded small business and we were invited to submit an alternative proposal. In response to this invitation, CSBA formally requests that the FCC and Joint Board reject the single line definition of small business and instead adopt a definition which is in keeping with Congressional and U.S. Small Business Administration definitions of what is a small business. We also request that the FCC and Joint Board notify small businesses of the substantial negative impact of the single line definition on their businesses and afford small businesses a meaningful opportunity to participate in the rulemaking process.

Restricting Universal Service Support to Single Line Businesses Will Have a Substantial Negative Impact on Thousands of Small Businesses in Rural Areas.

9

Restricting universal service support to single line businesses will fail to protect many thousands of small businesses in rural areas who would be extremely vulnerable to significant rate increases. If the Joint Board's current recommendation is adopted, rural businesses will be faced with the choice of drastically cutting back on the number of business lines affecting their ability to compete, reducing the size of their workforce or relocating to lower cost areas.

Recently, CSBA commissioned The Resource Group (TRG) to conduct an independent survey of 750 small businesses in California regarding the number of lines they currently have and the impact of higher telephone bills on their businesses. (A copy of the TRG study is enclosed.) This study indicates that the typical small business pays for eight lines per month and terminating universal service support would have a serious negative economic impact on these businesses. This is particularly true for small businesses in less densely populated areas. (For example, if monthly telephone costs increased by 50 percent, 59.1 percent of the small businesses in rural and suburban areas said they would have to decrease their number of lines, 33.3 percent said it would have a major negative effect on their business and 20 percent said that it would cause them to reduce the size of their workforce.) Any of these outcomes would be devastating to rural communities, many of which have been struggling to expand, attract and retain small businesses in their areas.

The FCC and Joint Board Should Adopt a Definition Which is Consistent with Definitions Adopted by Congress and the Small Business Administration.

CSBA urges the FCC and Joint Board to reject the single-line definition of small business and adopt a more meaningful definition to determine which rural businesses should be included under the universal service fund. We propose that in keeping with definitions adopted by Congress and the U.S. Small Business Administration and to be consistent with other branches of the federal government, the FCC use the number of employees and gross annual revenues to define what is a small business.

Using these measures, we would urge that businesses in high cost areas with less than 100 employees and \$10 million in gross annual revenues be eligible for universal service support for all business lines. (The Small Business Administration informs us that this is in the lower range of the definitions used by that agency, which in many cases go up to 500 employees. The Telecommunications Act of 1996 for purposes of the Telecommunications Development Fund defines an eligible small business as having \$50 million or less in annual revenues. See 47 U.S.C. Section 417(k)(1).) A 100 employee/\$10million definition would exclude the larger businesses (e.g., General Motors, Intel, etc.) that are most often referenced as not needing universal service support without harming smaller businesses in the process. The cost proxy model would ensure that support is targeted to small businesses only in high cost areas.

In terms of implementation, small businesses should be required to certify under penalty of perjury that they have less than 100 employees and \$10 million in gross annual revenues before they are eligible for universal service support. In California, this procedure has proven to be a cost effective method for ensuring that customers meet the income requirements for lifeline telephone service. In 1993, an independent study by the California Public Utilities Commission (CPUC) confirmed that the rate of ineligibility was "quite low" concluding that "All in all, the

study suggests that ULTS is doing quite a good job in serving eligible households and that few ineligible households are included in the process." (*A Study to Assess Customer Eligibility and Recommend Outreach Activities for Universal Lifeline Telephone Service*, SRI International, November 1993, ES-2.) Recently, the CPUC adopted a similar self-certification procedure for its new California Teleconnect Fund which provides state universal service support to schools, libraries and community based organizations providing health care, job training, job placement or educational instruction services. (See Assigned Commissioner's Ruling in Rulemaking and Investigation on the Commission's Own Motion into Universal Service and to Comply With the Mandates of Assembly Bill 3643, R.95-01-020 and I.95-01-021 dated February 5, 1997.) Based on these models, we believe that self-certification will be cost effective and avoid the administrative problems associated with the single line definition.

The FCC and Joint Board Have Failed to Provide Small Businesses With Notice and an Opportunity to Be Heard on this Issue.

The single-line definition should be rejected for another important reason. Despite its devastating economic impact on small businesses, the Joint Board's recommendation was developed *without affording small businesses notice and opportunity to be heard* as required by the Regulatory Flexibility Act. The Act states:

"Section 609. Procedures for gathering comments

(a) When any rule is promulgated which will have a significant economic impact on a substantial number of small entities, the head of the agency promulgating the rule or the official of the agency with statutory responsibility for the promulgation of the rule *shall assure that small entities have been given an opportunity to participate* in the rulemaking for the rule through the reasonable use of techniques such as--

- (1) the inclusion in an advanced notice of proposed rulemaking, if issued, of a statement that the proposed rule may have a significant economic effect on a substantial number of small entities;
- (2) the publication of general notice of proposed rulemaking in publications likely to be obtained by small entities;
- (3) the direct notification of interested small entities;
- (4) the conduct of open conferences or public hearings concerning the rule of small entities including soliciting and receiving comments over computer networks; and
- (5) the adoption or modification of agency procedural rules to reduce the cost or complexity of participation in the rulemaking by small entities."

(15 U.S.C. Section 609(a).) To date, the Joint Board and FCC have taken *no* steps (much less the measures outlined in the statute) to ensure that small businesses receive adequate notice and opportunity to participate despite the fact that the single-definition would terminate universal service support to thousands of small businesses in rural areas.

We urge the Joint Board and FCC to comply with the requirements of the Regulatory Flexibility Act by taking the following actions:

1. Immediately *notify small businesses* that action by the Joint Board and FCC will have a significant economic effect on a substantial number of small businesses. (To this end, the Joint Board and FCC should work with the Small Business Administration to identify small businesses and small business organizations that should be notified and notices should be published in publications likely to be received by small businesses.)
2. Conduct *public hearings* concerning the impact of the single-line definition on small businesses and to hear the views of small businesses on alternative definitions including the one proposed above. These hearings should be held with sufficient notice and at locations which will promote participation by small businesses and small business organizations.
3. Appoint a *standing advisory panel* to advise the Commission regarding the potential impact of proposed rules and Joint Board recommendations on small businesses. This panel should consist of representatives of the Small Business Administration's Office of Advocacy and small business organizations and review all proposed rules implementing the Telecommunications Act of 1996.

Small businesses are vital to this nation's economic and social well being. Small businesses are the largest source of new job creation in the United States. The FCC and Joint Board should not reverse the positive economic direction of this country by adopting a small business definition which is contrary to all other widely-accepted definitions, will cause substantial economic harm to thousands of small businesses in rural areas and was formulated without any notice to or participation by the small business community.

In recent weeks, President Clinton has called on small businesses to "go the extra mile" in offering job opportunities to people who have been on welfare. To enable small businesses to meet this new challenge, we ask the FCC and Joint Board to adopt universal service rules which will assist (not impair) small businesses in high cost areas. These rules should continue to provide universal service support to all small businesses in high cost areas and for all lines used by those businesses. To be competitive, small businesses in rural areas must have affordable access to the full range of voice, fax and data communications which requires multiple lines.

For these reasons, we urge you to reject the single line definition, provide due process to small businesses and adopt the definition proposed above which is in keeping with Congressional and Small Business Administration definitions of small business. In so doing, you will help to ensure that small businesses in rural areas have access to telecommunications and information services "at rates that are reasonably comparable to rates charged for similar services in urban areas" as required by the Telecommunications Act.

We would like to meet with you to discuss our proposal at your earliest convenience and will be contacting your office for an appointment.

Sincerely,



Betty Jo Toccoli

President

encl.

cc: William Caton, Commission Secretary
Jere Glover, Office of Advocacy
James Talent, Chair, House Small Business Committee
Christopher Kit Bond, Chair, Senate Small Business Committee
John LaFalce, Ranking Minority Member, House Small Business Committee
John Kerry, Ranking Minority Member, Senate Small Business Committee
Bob Smith, Chair, House Agriculture Committee
Richard Lugar, Chair, Senate Agriculture, Nutrition, and Forestry Committee
Thomas Bliley Jr., Chair, House Commerce Committee
John McCain, Chair, Senate Commerce, Science and Transportation Committee
Senator Byron Dorgan, North Dakota

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California Small Business Speaks Out

**The Economic Impact of Changes in
California's Telecommunications System**

**THE RESULTS OF THE 1997 CSBA
BUSINESS TELEPHONE USER POLL**

Prepared for

**California Small Business Association
CSBA**

Prepared by

**The Resource Group
Riverside, California
©March 7, 1997**

California Small Business Speaks Out:

The Economic Impact of Changes in California's Telecommunications System

Introduction:

The landscape of California telecommunication's industry and policies is undergoing change. Among the potential changes anticipated are the bundling, pricing, and delivery of business telephone services. Changes in the structure, pricing, and delivery of business telephone services certainly are of interest to each of the 1.1 million companies in California. Clearly, they are of intense interest to California's small businesses.

Using the Department of Labor's definition of a small business as being one with 500 or less employees, nearly 97% of the state's businesses are small businesses. Using the Small Business Administration's definition of 350 or less employees, some 88% of California's businesses are small. By any standard, given the number of businesses in the state, any changes in business telephone service packaging or pricing has the potential of impacting hundreds of thousands of small companies.

From another perspective, California is one of the most geographically diverse states in the nation. Given its mass, size and length, the state features both urban and rural/suburban communities and counties. By even conservative estimates, between 35-40% of the state's companies are located in rural areas and contribute to rural economies.

The California Small Business Association (CSBA) is committed to championing the interests of small businesses in this state. They commissioned this independent study to ask a random sampling of the state's small businesses how they currently used business telephone service and how changes in the pricing or packaging of business telephone services might affect their economic livelihood.

CSBA commissioned The Resource Group (TRG) to conduct the independent study. TRG is a California state certified small business data collection and research enterprise. The company routinely undertakes county and state government-sponsored studies, polls, and censuses. TRG created and conducted a poll among business telephone users March 3-7, 1997 and secured the views of 133 geographically/ industry diverse business owners.

Methodology:

Seven hundred and fifty random small businesses in the state were asked to participate in a poll describing their business telephone services. A 6-minute self-administered instrument was created. Businesses comprising the survey universe were directed an instrument by fax and by mail. In order to prepare this first look at the data, 133 completed polls returned by Noon, March 7, 1997 were included in this analysis. Responses continue to be received and a second analysis will be undertaken shortly. A cursory review of these additionally received poll forms indicate responses nearly identical to those reported in this analysis.

The survey instrument allowed owners to self-identify as small businesses. Only those instruments from self-identified small businesses were inputted. Further, business owners were

provided the opportunity to indicate if their businesses were located in urban sites or rural/suburban sites. The term "rural/suburban" site was utilized in recognition that many companies (and individuals) located in rural communities tend to indicate they reside in suburban (or even urban) locations if their business is located "in town." In reality, their town is rural and their location is rural. Thus, to mitigate such potential confusion, the "rural/suburban" category was created to more appropriately capture a rural-based business.

Findings:

Demographics of Responding California Small Businesses.

Table 1: Percentage of Urban vs. Rural/suburban Respondents

Just over one-in-three responding small businesses indicate they are rural/suburban based. This mirrors the conservative projections of 35-40% of the state's businesses located in rural economies.

Urban-located responding companies	63.0%
Rural/suburban-located responding companies	37.0

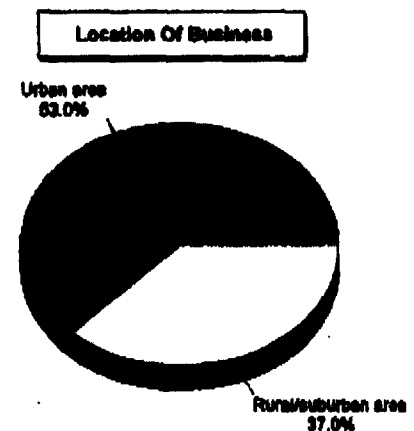
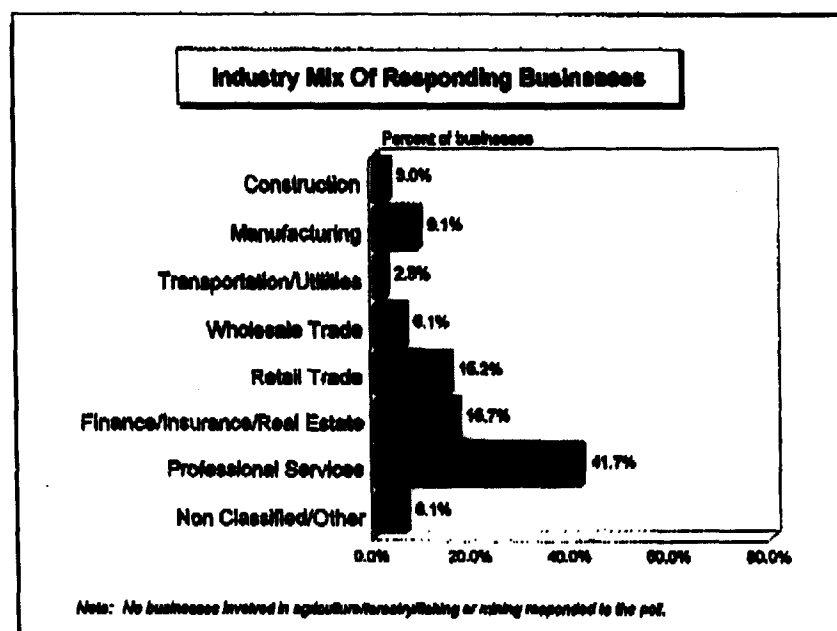


Table 2: Business Clusters Represented



Consistent with other studies indicating that the state's small businesses cluster around professional services, retail trade, and finance/insurance/real estate professions, the respondents to this business telephone usage poll represent those sectors primarily, with some representation across all of the standard industrial clusters.

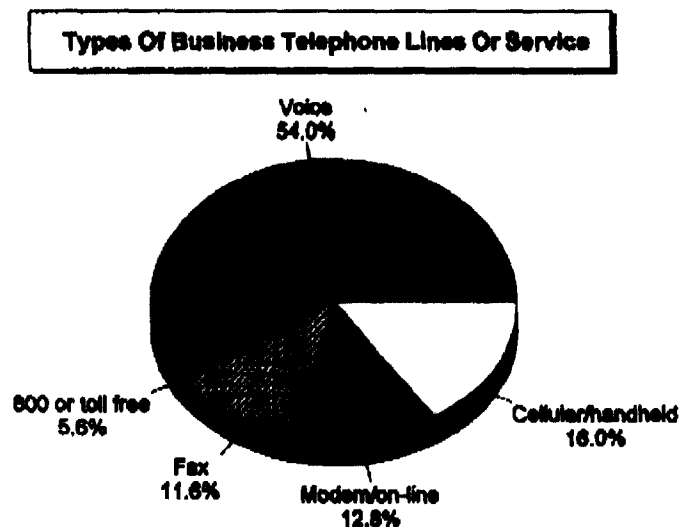
Typical Configuration and Types of Business Telephone Lines/Service.

Table 3: Typical Number Of Business Telephone Lines For Small Businesses

Typical Number Of Business Telephone Lines	
1 - 3 lines	10.6%
4 - 6 lines	32.6
7 - 10 lines	19.7
11 - 15 lines	10.6
16 - 20 lines	10.6
21 - 30 lines	7.6
31 - 40 lines	3.6
41 lines or more	4.6
<i>Median number of lines:</i>	8.0

California's typical small business pays for eight lines per month. Just over 4-in-10 small businesses have 11 or more lines they use for business purposes.

Table 4: Typical Configuration/Types of Business Telephone Lines/Service



The typical small business has 4 lines for voice services, one line dedicated for a fax, one line dedicated to a modem, one cellular/car telephone line, and almost one full line for 800 service.

Median Number Of Business Telephone Lines By Type

General voice/talking/multiple purposes	4.0
800 or toll free	1.0*
Fax	1.0
Modem/Internet/on-line services	1.0
Cellular/handheld/car phones	1.0

* slightly less than 1.0

Table 5: Type of Telephone Service for Home-Based Small Businesses

A small percentage indicated they were home-based or at least operated an office from their homes. For this cohort, 2-in-3 utilize a business telephone line in their homes for business activities.

Use residential lines for business purpose	36.6%
Use business lines for business purpose	63.2%

Type Of Telephone Service For Home-Based Businesses

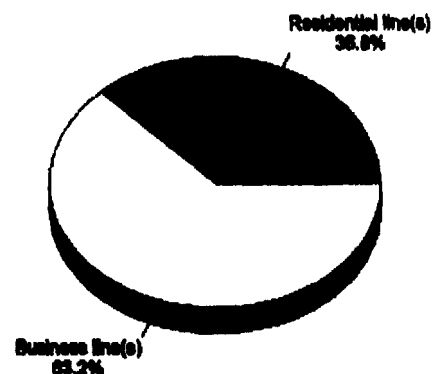
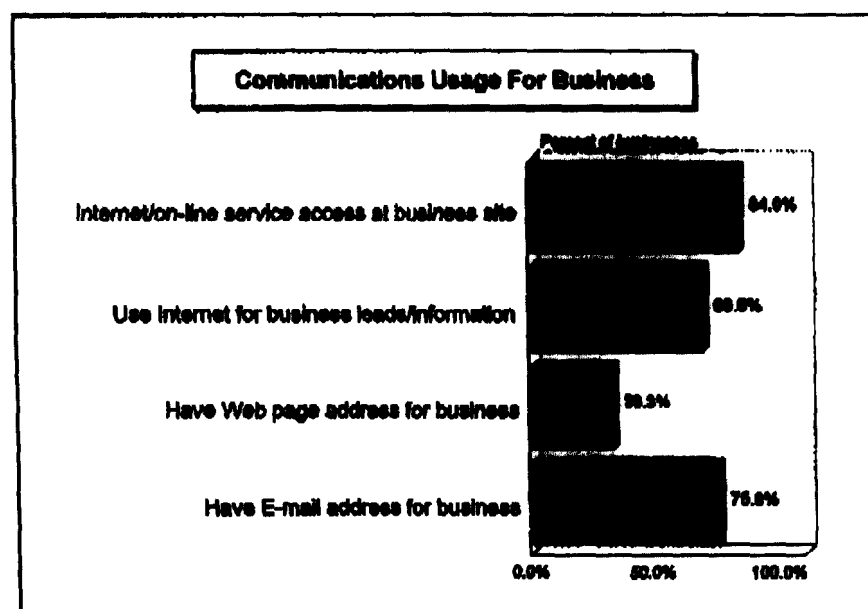


Table 6: "Information Highway" Utilization By California Small Businesses



	All Businesses	Urban	Rural/ Suburban
Have access to Internet/on-line services at business site	84.0%	88.5%	78.7%
Use Internet for business leads or information collection	69.8	69.2	73.9
Have Web page for business	33.3	32.1	37.0
Have E-mail business address	75.8	74.0	80.4

Interestingly, over 8-in-10 small businesses report they have access to on-line services or the Internet via an ISP or other provider. Looking at access and usage on an urban vs. rural basis, no real differences emerge. Business owners in both settings tend to recognize the importance of this technology and information source.

What California Small Businesses Now Spend on Monthly Telephone Service.

Table 7: Typical Current Monthly Telephone Expenses of Small Businesses

	Monthly Average For Local Service	Monthly Average Spent For Long Distance Service And Calls
All businesses	\$ 300	\$ 300
Location of business:		
Urban-area	\$ 400	\$ 250
Rural/suburban-area	350	400
Type of business:		
Construction	\$1,450	\$2,150
Manufacturing	400	800
Transportation/Utilities	400	300
Wholesale Trade	900	850
Retail Trade	300	200
Finance/Insurance/Real Estate	275	100
Professional Services	300	260
Non Classified/Other	631	450

Responding small businesses were asked to indicate their typical monthly bill for local business telephone services and for business long distance services. Overall, the typical small business spends \$300 monthly for telephone services and \$300 monthly for long distance services, for a combined \$600 per month.

There are substantial and sometimes significant differences depending on the location of the company and the type of small business. For instance urban-based small businesses report spending a median \$400 for telephone service while rural/suburban companies indicate they

spend a median \$350 monthly. For long distance services, the trend reverses. Urban-based companies report spending a typical \$250 per month and rural/suburban-based small businesses say they spend \$400 in a typical month for long distance services.

There are also difference among types of small businesses. For example, smaller construction companies report typical monthly bills for telephone service of about \$1,450 and long distance bills totaling an average \$2,150. Finance/insurance/real estate companies spend \$275 on their typical monthly telephone bill and \$100 for monthly long distance services.

Clearly, there are different levels of telephone and long distance bills incurred by California's small businesses depending on their geographic location and the nature of their business.

Economic Impact of Increases in Cost of Business Telephone Service.

Small businesses were asked to project the economic impact on their companies if their monthly telephone costs increased. They were asked to indicate any impact on their livelihood, number of telephone lines, or number of employees due to specific increases in their monthly telephone costs.

First, small businesses were asked to identify any economic impact envisioned by a 25% increase in their telephone bills.

Table 8: Impact If Monthly Business Telephone Costs Increase 25%

	<i>All Businesses</i>	<i>Urban</i>	<i>Rural/ Suburban</i>
<i>Impact on number of telephone lines . . .</i>			
Keep same number of lines	73.0%	80.6%	63.0%
Increase number of lines	—	—	—
Decrease number of lines	27.0	19.4	37.0
Median number of lines decreased:	2.0	2.0	2.0
<i>Impact on business livelihood . . .</i>			
Minimal/no effect	31.1%	30.0%	33.3%
Moderately negative	58.0	58.6	57.8
Major negative effect	10.9	11.4	8.9
<i>Impact on size of workforce . . .</i>			
Minimal/no effect	72.8%	76.3%	89.8%
Might cause reduction	22.6	16.9	30.2
Would cause reduction	4.7	6.8	—

Overall, 3-in-4 small businesses would keep the same number of lines they now have. One-in-four indicated they would have to reduce the number of lines for their businesses by a median 2 business telephone lines. Most report a perceived minimal to moderate negative impact.

Nearly all agree that a 25% increase would not require them to reduce the size of their workforce.

There are some differences between the views of urban vs. rural/suburban-based small businesses. About 19% of urban businesses indicate that a 25% increase in costs would force them to decrease the number of telephone lines to their business. Some 37% of rural based companies reported that a 25% increase would cause them to reduce the number of telephone lines to their place of business.

Similarly, just under 17% of urban based businesses say a 25% increase in phone costs might cause them to consider reducing their workforce, over 30% of rural/suburban-based small businesses report that such increases would cause them to consider workforce reductions.

Table 9: Impact If Monthly Business Telephone Costs Increase 50%

	<i>All Businesses</i>	<i>Urban</i>	<i>Rural/ Suburban</i>
<i>Impact on number of telephone lines . . .</i>			
Keep same number of lines	40.5%	43.2%	38.4%
Increase number of lines	1.7	—	4.5
Decrease number of lines	57.9	56.8	59.1
Median number of lines decreased:	2.0	2.0	2.0
<i>Impact on business livelihood . . .</i>			
Minimal/no effect	15.5%	13.2%	17.8%
Moderately negative	50.9	52.9	48.9
Major negative effect	33.6	33.8	33.3
<i>Impact on size of workforce . . .</i>			
Minimal/no effect	53.5%	55.2%	52.5%
Might cause reduction	24.8	24.1	27.5
Would cause reduction	21.8	20.7	20.0

A 50% increase in telephone costs clearly begins to weigh on the minds of small business owners. Nearly 58% of all businesses indicate this increase would necessitate a reduction in the number of telephone lines to their business. They report that an increase of 50% would force them to reduce their telephone service by at least 2 lines.

At the 50% increase level, differences between the views of urban vs. rural-based small businesses tend to be minimized. Small businesses in both geographic settings generally agree on approximately the same level of negative impacts and consequences that would result from 50% increases to their typical monthly telephone charges.

One-in-five urban and one-in-five rural small businesses indicate such an increase would cause them to reduce their workforce in order to be able to meet the additional monthly telephone costs.

Table 10: Impact if Monthly Business Telephone Costs Increase 100%

	<i>All Businesses</i>	<i>Urban</i>	<i>Rural/ Suburban</i>
<i>Impact on number of telephone lines . . .</i>			
Keep same number of lines	31.4%	35.6%	27.3%
Increase number of lines	0.8	—	2.3
Decrease number of lines	67.8	64.4	70.5
Median number of lines decreased:	3.0	3.0	3.0
<i>Impact on business livelihood . . .</i>			
Minimal/no effect	5.5%	7.2%	11.1%
Moderately negative	29.7	29.0	28.9
Major negative effect	61.9	63.8	60.0
<i>Impact on size of workforce . . .</i>			
Minimal/no effect	44.7%	46.8%	42.9%
Might cause reduction	20.4	22.4	19.0
Would cause reduction	35.0	31.0	38.1

Perceived increases of 100% in their monthly telephone bills were considered by small business owners to have the potential of major negative consequences to their companies. Nearly seven-in-ten of all small businesses surveyed indicate such an increase definitely would force them to decrease the number of business telephone lines they have in service. Some 64% of urban-based businesses and 71% of rural-based businesses made this determination. Each business type reported they would have to reduce their service by a median 3 business telephone lines.

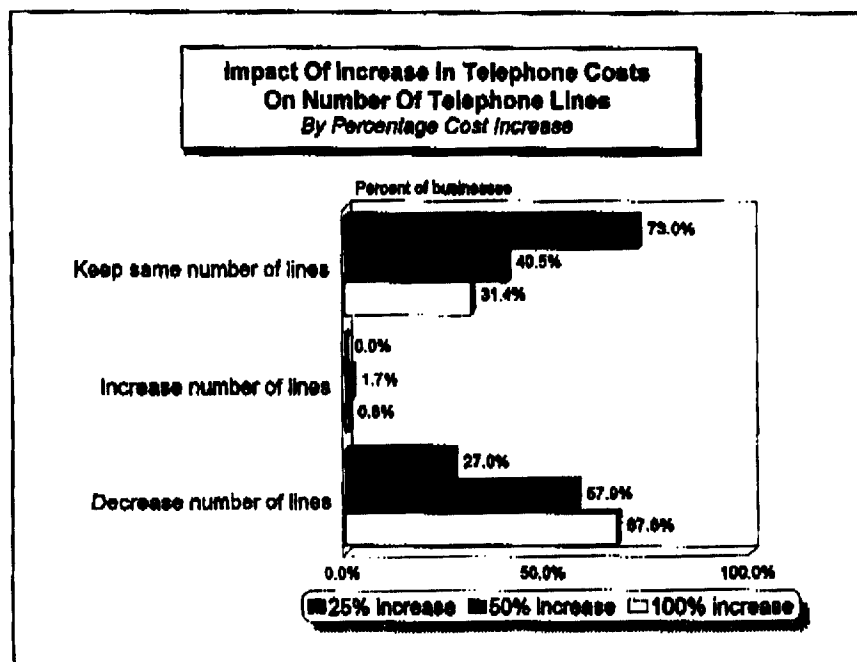
Nearly 92% of all businesses indicate such increases would have a moderate or major negative impact on their business livelihood. Some 62% report the impact would be major. One-in-three businesses state that such an increase definitely would force them to layoff staff in order to be able to pay for the increased rates and costs. Some 31% of urban-based small businesses and 38% of rural-based small businesses report a 100% increase would cause them to reduce the size of their workforce. Another 20% from each group indicate that such an increase "might" lead to workforce reductions.

Given the typical monthly telephone bills of most small businesses, a doubling of those bills would be viewed as a major negative event and one that would require severe operational measures on the part of small businesses.

Summary of Impacts.

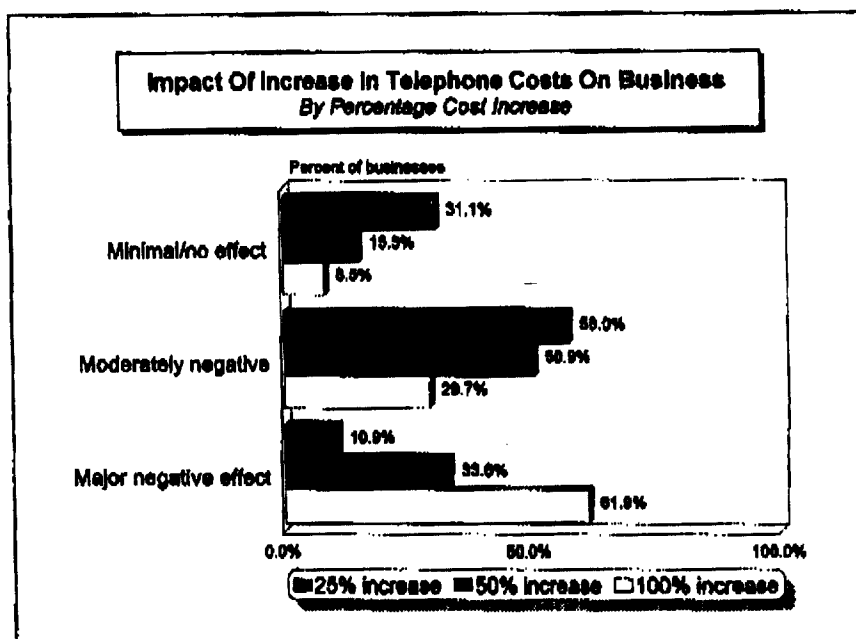
The following three tables/charts summarize the impact of the various increases of monthly telephone costs. The first table summarizes the impact on the number of telephone lines. The second table in the sequence summarizes the "economic impact" on businesses according to the amount of the increase. And, the final table summarizes the potential impact of increases on a small business' workforce.

Table 11: Summary Economic Impact of Increases in Monthly Telephone Costs on Number of Business Telephone Lines



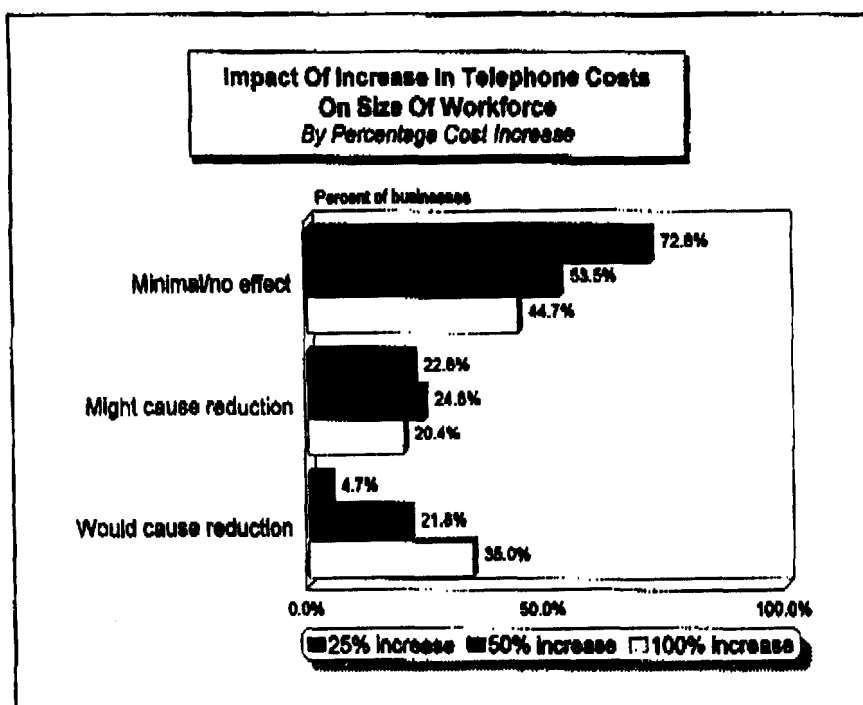
At all "increase" levels, there will be some perceived reduction in the number of business telephone lines. At 50% and 100% increase levels, the majority of businesses indicate they will be forced to reduce the number of lines by either two or three business telephone lines.

Table 12: Summary Economic Impact of Increases in Monthly Telephone Costs on Business Livelihood



At all "Increase" levels, small businesses anticipate some moderate or even major negative impact on their business livelihood. The impact is envisioned by be severe at the 50% increase level and particularly dramatic at the 100% increase level. At this level, nearly two-in-three small businesses forecast major negative impacts to their business livelihood.

Table 13: Summary Economic Impact of Increases in Monthly Telephone Costs on Size of Workforce



Even at a 25% increase in monthly telephone costs, some 27%, or one-in-four small businesses indicate such might or would cause a reduction in their workforce. A 50% increase in monthly rates absolutely would cause a workforce reduction in one-in-five responding small businesses. A 100% increase in monthly rates would cause over one-in-three small businesses (35%) to layoff workers in order to have sufficient funds to pay the increased costs of telephone service.

Overall, then, this study has identified the following:

- There are some differences in the rates paid and envisioned impacts of increases in the costs of telephone service by urban-based and rural/suburban based small businesses.
- Any increase of 25% or more in monthly charges would be viewed as having some negative impact on a business' livelihood, the size of its workforce, or the number of telephone lines it has.
- Increases of 100% or more in monthly charges would definitely result in small businesses reducing their number of telephone lines and, for 1-in-3, reducing their workforce in order to pay for such increases.

With these findings as a backdrop, it seems particularly important that pending changes in California's telecommunication system consider the impact of such changes on the state's small businesses and the varying impact of urban vs. rural small companies and employers.

Summary Chart of Impact According To Size of Increase in Telephone Costs

	<i>All Businesses</i>	<i>Urban</i>	<i>Rural/ Suburban</i>
<i>Impact of <u>25%</u> increase in costs . . .</i>			
Major negative effect on business	10.9%	11.4%	8.9%
Would cause reduction in workforce	4.7	6.8	—
Median number of lines decreased:	2.0	2.0	2.0
<i>Impact of <u>50%</u> increase in costs . . .</i>			
Major negative effect on business	33.6%	33.8%	33.3%
Would cause reduction in workforce	21.8	20.7	20.0
Median number of lines decreased:	2.0	2.0	2.0
<i>Impact of <u>100%</u> increase in costs . . .</i>			
Major negative effect on business	61.9%	63.6%	60.0%
Would cause reduction in workforce	35.0	31.0	38.1
Median number of lines decreased:	3.0	3.0	3.0